

ASSEMBLY BILL

No. 2545

Introduced by Assembly Member De La Torre

February 19, 2010

An act to add Section 41127.9 to the Revenue and Taxation Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 2545, as introduced, De La Torre. Emergency Telephone Users Surcharge Act: prepaid communications service.

Existing provisions of the Warren-911-Emergency Assistance Act establish the number “911” as the primary emergency telephone number of use in the state. The existing Emergency Telephone Users Surcharge Act generally imposes a surcharge on amounts paid by every person in the state for intrastate telephone service that is imposed at a percentage rate, not less than 0.5% nor more than 0.75% as annually estimated to provide revenues sufficient to fund “911” emergency telephone system costs for the current fiscal year. Surcharge amounts are paid to the State Board of Equalization on a monthly basis by the telephone service supplier and are deposited into the State Treasury to the credit of the State Emergency Telephone Number Account in the General Fund. Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including telephone corporations, except to the extent regulation of commercial mobile radio service is preempted by federal regulation.

This bill would require the PUC to open proceedings or expand the scope of existing proceedings to determine an equitable manner for mobile telephony service providers to collect the surcharge from users

of prepaid communications services, and would require the PUC to advise the board of its determination.

This bill would also make legislative findings and declarations regarding equitable contributions to the funding of 911 systems by consumers of prepaid communications services.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares the
2 following:

3 (1) Maintaining effective and efficient 911 systems across the
4 state benefits all citizens.

5 (2) 911 fees imposed upon consumers of communications
6 services that have the ability to dial 911 are an important funding
7 mechanism to assist state and local governments with the
8 deployment of enhanced 911 services to the citizens of this state.

9 (3) Prepaid communications services are an important segment
10 of the communications industry and should bear an equitable part
11 of the responsibility for the funding of the 911 system.

12 (4) Consumers purchase prepaid communications services at a
13 wide variety of retail locations and other distribution channels, as
14 well as through service providers.

15 (5) To ensure equitable contributions to the funding of 911
16 systems from consumers of prepaid communications services,
17 there should be clarity and standardization with respect to the
18 collection and payment obligations of 911 surcharges for prepaid
19 communications services.

20 (6) Current law also requires several public purpose surcharges
21 and user fees to be collected from end users and remitted to the
22 Public Utilities Commission.

23 (7) The Public Utilities Commission has the body of experience
24 and comparative advantage over the State Board of Equalization
25 regarding the collection of surcharges for prepaid communications
26 services.

27 SEC. 2. Section 41127.9 is added to the Revenue and Taxation
28 Code, to read:

29 41127.9. (a) The Public Utilities Commission shall open
30 proceedings or expand the scope of existing proceedings to

1 determine an equitable manner for mobile telephony service
2 providers to collect the surcharge from users of prepaid
3 communications services. The commission shall advise the State
4 Board of Equalization of its determination.

5 (b) For purposes of this section, all of the following shall apply:

6 (1) "Prepaid communications service" includes both prepaid
7 calling card telephone service and prepaid wireless service as
8 follows:

9 (A) "Prepaid calling card service" means the right to access
10 exclusively telecommunications services, which must be paid for
11 in advance and which enables the origination of calls using an
12 access number or authorization code, whether manually or
13 electronically dialed, and that is sold in predetermined units or
14 dollars of which the number declines with use in a known amount.

15 (B) "Prepaid wireless calling service" means a
16 telecommunications service that provides the right to utilize mobile
17 wireless service as well as other nontelecommunications services,
18 including the downloading of digital products delivered
19 electronically, content, and ancillary services, which must be paid
20 for in advance that is sold in predetermined units or dollars of
21 which the number declines with use in a known amount.

22 (2) "Mobile telephony service provider" means a provider of
23 mobile telephony service as defined in subdivision (d) of Section
24 224.4 of the Public Utilities Code.